

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

<b>In Re:</b>  <b>W.R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	<b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b>	<b>Chapter 11</b>  <b>Jointly Administered</b> <b>Case No. 01-01139 (JKF)</b>
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**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF PRICEWATERHOUSECOOPERS LLP  
FOR THE FOURTEENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Pricewaterhouse Coopers LLP for the Fourteenth Interim Period (the "Application").

**BACKGROUND**

1. PricewaterhouseCoopers LLP ("PwC") was retained as independent accountants and auditors for the Debtors and Debtors in Possession. In the Application, PwC seeks approval of fees totaling \$550,318.00 and costs totaling \$28,866.62 for its services from July 1, 2004, through September 30, 2004.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued

January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on PwC an initial report based on our review, and received a response from PwC, portions of which response are quoted herein.

### **DISCUSSION**

3. In our initial report, we noted a time entry for Todd Hutcherson on August 4, 2004, for 1.5 hours and \$923.00 that requires an explanation. The entry is provided below.

08/04/2004	1.5	error	\$615	\$923
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We asked PwC to identify the specific task for which the time was spent and to explain how the task directly benefitted the estate. PwC responded as follows:

This was a formatting issue. The actual time entry description was: "Discussion with Bill Bishop (PwC), bob Tarola (Grace) and Tim Delbrugge (Grace) regarding minority interest error."

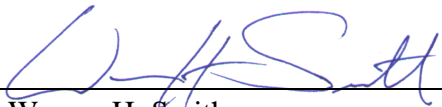
We appreciate the response and offer no objection to this fee.

### **CONCLUSION**

4. Thus we recommend approval of fees totaling \$550,318.00 and costs totaling \$28,866.62 for PwC's services from July 1, 2004, through September 30, 2004.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**


By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 8<sup>th</sup> day of March, 2005.

  
Warren H. Smith

**SERVICE LIST**

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